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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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January 27, 1993

Ms. Donna Searcy, Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, DC 20554

RE: Notice of Proposed Rulemaking
MM Docket No. 92-266
"Rate Regulation"

Dear Ms. Searcy,

As the owner and operator of cable systems in a number of communities in California, Total TV offers these Comments in response to the referenced Notice of Proposed Rulemaking.

In the name of encouraging and nourishing competition in the delivery of video services, Total TV asks the Commission to consider: (1) defining geographic pricing areas, in terms larger than mere individual franchise areas, where uniform pricing would be required; and (2) simplifying the pricing process so that the number of possible service classes is limited and the creation of new classifications not allowed to defeat competition.

Total TV, in support of its proposal for uniform pricing over larger geographic areas, notes that it has about 4,000 customers and operates as a competitive, franchised cable operator in a portion of the City of Cathedral City, which has a population of about 35,000 (some 10,000 homes). There are seven other contiguous cities which have ongoing franchised cable systems. All eight of these communities are served by Total's major competitor from one common headend.

If its competitor is allow to undercut Total TV in Cathedral City and does not have to provide uniform pricing throughout the geographic area, the force of the new law will have been fatally diminished. If enforcement does not look at the "cable system" in the real world, but instead looks to individual franchise areas, then very large cable systems will be afforded virtual "carte blanche" to practice cross-subsidization and price discrimination.

TOTAL TV OF CALIFORNIA, INC., 27-700 AVENIDA BELLEZA, CATHEDRAL CITY, CA 92234 (619) 325-5125, FAX (619) 325-4012



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Even a cursory examination of the ownership patterns of cable systems in urban areas will show extensive consolidation of urban and suburban franchises into large cable systems covering large geographic areas.

Even if the Commission were to demand uniform pricing over large geographic areas, we are concerned that the creation of new service classifications could be resorted to in order to defeat the intent of a requirement for uniform rates. Total has witnessed special "classes" established for RV parks, hotels, motels, and private homes in gated communities. We believe the price generally bears no relation to cost savings, but is rather aimed at holding off the new competitor. We literally have seen prices drop to less than one-half of previous levels for these selective buyers solely because of the arrival of a competitor. This is no surprise. Deep discounting by the first operator prevents the new competitor from having an initial "bankable" revenue stream and results again in a cross-subsidy from the non-discounted service area.

Allowing the proliferation of classes would be difficult to police and would, in final analysis, defeat the aim of uniform pricing.

Your cooperation will be appreciated.

Yours truly,

Total TV of California, Inc.



James F. Fitzgerald, Jr.
President

JFF:lso

STATE OF ALASKA

FACSIMILE SECTION

ALASKA PUBLIC UTILITIES COMMISSION

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

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~~SECRETARY~~
Secretary
Federal Communications Commission
Room 222
1919 M Street, NW
Washington, DC 20544

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: MM Docket 92-266

Dear Ms. Searcy:

The Alaska Public Utilities Commission submits its comments today via facsimile on the above captioned proceeding. The original and ten copies are being express mailed to the Commission today.

Sincerely,
ALASKA PUBLIC UTILITIES COMMISSION



Don Schröer
Chairman

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Before the
Federal Communications Commission
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
(OFFICE OF THE SECRETARY)

In the Matter of)

Implementation of Sections of)
the Cable Television Consumer)
Protection and Competition Act)
of 1992)

MM Docket No. 92-266

Rate Regulation)

Comments of the Alaska Public Utilities Commission

The Alaska Public Utilities Commission (APUC) pursuant to the Federal Communications Commission (Commission) Notice of Proposed Rulemaking in MM Docket No. 92-266 submits these comments.

The APUC respectfully requests that the proposed regulations do not preclude state regulatory commissions from requiring individual cable systems to use a cost-of-service approach to justify rates. The APUC believes that, as the franchise authority, it ought to be able to require use of a cost-of-service methodology when rates are below a benchmark just as the cable company can elect to use cost-of-service methodology when rates are above a benchmark.

Dated: January 27, 1993

Respectfully submitted,

THE ALASKA PUBLIC UTILITIES COMMISSION


Don Schröer, Chairman